

27.7.20

Law & Taxation
B. Com Part III

Chapter. Salary.
Numerical. Exercise. (29)
R.K. Jain.

By
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Question.

Mr. Salal is employed in D.C.M Limited Delhi. During the previous year 2018-19 he had received the following pay, Allowances and Amenities from his employer.

- (A) Basic pay 20000 P.M
- (B) Commission @ 5% on Sale. Sale 1000000
- (C) Dearness Allowances 2000 P.M under service condition.
- (D) Bonus equal to two month salary.
- (E) H.R.A. 5000 P.M.
- (F) Entertainment Allowances 250 P.M
- (G) The employer paid 1000 as his income tax p/a
- (H) In Sept 2018 he went on a visit to Kashmir with his family. The expenditure amounting to 16000 was paid to him by employer as LTC. He has travelled by AC I class the expenditure would have been only Rs 14000

(I) He has been provided with amenities of Gas, electricity and water, the expenses of which amounting to 12000 paid by the company.

(J) He was given a washing Machine of 9000 in Gift by his employer.

(K) He and his employer each contributed 12.5% of his salary to R.P.F. The P.F. credited to this fund on 31.3.2019 @ 11% amounted to 22000

Compute Income of Mr Dalal for the Assessment year 2019-20 under head. Keeping in mind that he paid rent for the House - 6000 P.M.

Ans.

Computation of Taxable Income
of Mr Dalal from salary.
Assessment year 2019-20

Basic Salary.	20000×12	240 000
Commission		50 000
D.A -	2000×12	24 000
Bonus -	$20000 \times 2 =$	40 000
Entertainment Allowance	$250 \times 12 =$	3 000
Home Tax Allowance -		1 000
H.R.A		19 400
C.T.C -	$(16000 - 14000) =$	2 000
Gift washing Machine		4 000
Employer Contribution to R.P.F excess of 12%		15 70
Gas & electricity		12 000
Int on R.P.F excess of $9\frac{1}{2}\%$		3 000
	Gross Salary.	399 970
		40 000
(-) Deduction u/s 16		359 970
	Taxable Salary.	